6. FINANCING ONE-STOP SERVICES

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INTRODUCTION

The vision guiding One-Stop implementation in most study sites is of a customer-oriented system in which customer needs—rather than categorical program regulations—drive the design and delivery of workforce development services. To further this vision, One-Stop partners have to develop new financing mechanisms that can be used to support integrated services.

At the time that many states were first planning their One-Stop systems, it was expected that the 104th Congress would pass federal workforce development block grant legislation that would create a consolidated funding stream to finance One-Stop services. In the absence of block-grant legislation, it is necessary to fund One-Stop services by piecing together resources from a number of different categorical programs, each of which has its own target group, eligibility requirements, allowable services, and reporting and performance requirements.

In this chapter of the *Practitioners' Guide*, we describe the different strategies that states and local areas can use to finance a comprehensive menu of One-Stop services, while still meeting the legislative and regulatory requirements of the different funding streams used to support the delivery of services to One-Stop customers. Specific goals furthered by these strategies include the following:

- Provide state guidance on how to finance One-Stop services.
- Develop cost-sharing arrangements that blend resources from multiple funding streams.
- Use One-Stop implementation grants as a catalyst.
- Identify additional financial resources to support universal services.

GOALS AND STRATEGIES TO FINANCE ONE-STOP SERVICES

GOAL 1. PROVIDE STATE GUIDANCE ON HOW TO FINANCE ONE-STOP SERVICES

Many of the arrangements for sharing funds to support One-Stop operations are worked out in detail at the local level, even when they involve state agencies as local

One-Stop partners. States can support local systems in piecing together funds to finance One-Stop services by (1) encouraging the formation of integrated One-Stop budgets, (2) supporting tests of new cost-allocation methods, and (3) encouraging the use of Wagner-Peyser (ES) funds and staff to support One-Stop operations.

Strategy 1. Encourage Local Sites to Develop Integrated One-Stop Budgets

Because of the continued applicability of different accountability requirements for each categorical funding stream, many One-Stop implementation states stop short of actually consolidating funds from different categorical programs. To support the delivery of integrated services, however, many states encourage local areas to develop financial and non-financial interagency agreements at the local level. Where possible, these locally negotiated cost-sharing agreements should also involve the state agency(ies) responsible for the large state-administered workforce development programs/funds: Wagner-Peyser, Unemployment Insurance, Veterans Employment Programs, and Trade Adjustment.

To encourage coordinated budgeting of workforce development services at the local level, states can:

- Require or encourage local One-Stop systems to develop integrated budgets showing how resources from multiple partner agencies are being used.
- Develop model state-local cost-sharing agreements for local areas to adapt.
- Require local partners to develop locally negotiated coordination and cost-sharing agreements.

Examples of Encouraging Local One-Stop Systems to Develop Integrated Budgets

Example #1—Requiring Local Areas to Develop Plans for Integrated Services. The financing of integrated workforce development services in Texas depends on the ability of local workforce development boards to negotiate financial and non-financial coordination agreements among local One-Stop partners. Local workforce development boards and local service providers continue to be responsible for expending moneys from each categorical funding stream in a manner that is consistent with the legislative and regulatory requirements for the individual programs. **State of Texas**

Example #2—Encouraging Local One-Stop Centers to Develop Integrated Budgets for Planning Purposes. Iowa encouraged local One-Stop centers to develop integrated budgets showing how resources from multiple partner agencies were being used. **State of Iowa**

Example #3—Requiring Local One-Stop Systems to Develop Integrated Budgets Using Formal Cost-Sharing Agreements. The Indiana Department of Workforce Development requires local Private Industry Councils to develop formal interagency cost-sharing agreements based on a model "integrated services contract" developed by the state. These contracts make possible to develop integrated career center service plans and budgets with coordinated funding from the ES, UI, and JTPA programs. **State of Indiana**

Example #4—Merging Funding Streams at the State Level. The MassJobs Council in Massachusetts developed an integrated funding stream to support pilot One-Stop career centers by convincing five state agencies to transfer a total of $10 million to the council for the operation of career centers in four selected regions. Chartered career center operators were awarded integrated funds directly by the MassJobs Council. The individual centers were still responsible for meeting the accountability requirements of each funding stream. **Commonwealth of Massachusetts**

Strategy 2. Support Alternative Cost-Allocation Methods

A Cost Allocation Workgroup—sponsored by the U.S. Department of Labor, with representation from federal, state, and local workforce development agencies—has developed a technical assistance guide (TAG) that describes alternative methods to account for program costs in integrated service settings.[1] In response to revised Office of Management and Budget (OMB) guidelines that allow Federal agencies to work with States or localities that wish to test alternative cost-allocation mechanisms, the Department of Labor's alternative cost-allocation initiative suggests a new approach for sharing resources and paying costs within integrated service delivery systems.

The methods described in the Cost-Allocation Technical Assistance Guide (TAG) are currently being tested on a limited basis by state and local One-Stop systems across the country. The TAG approach is based on sharing resources across partner agencies and funding streams to provide integrated services. Costs are allocated based upon performance goals and revised based upon performance outcomes for customers eligible for different programs. Fifteen designated pilot sites are being "held harmless" for using the cost-allocation methods described in the TAG by the U.S. Office of Management and Budget and the federal departments of Labor, Education, and Health and Human Services.

Additional states may want to initiate or encourage local areas to initiate modified cost allocation procedures based on the concepts and procedures described in the TAG. However, DOL advises additional sites to obtain appropriate clearances from their auditors and oversight agencies before implementing the new cost-allocation approaches.

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[1] U.S. Department of Labor, Employment and Training Administration, *Sharing Resources To Provide Integrated Services: A Guide To Activity-Based Cost Allocation*, April 24, 1996.

Example of Encouraging the Use of Alternative Cost-Allocation Methods

Piloting the DOL Cost-Allocation Methodology. The state of Indiana has supported the selection of the Indianapolis Network for Employment and Training (iNET) as a pilot site for the new methods described in the DOL Cost Allocation Technical Assistance Guide. Under the alternative cost-allocation approach, an individual program's total cost share is computed as the proportion of total productivity outcomes received by the program rather than its share of each of the individual cost line items in the One-Stop budget. This permits different partners to contribute different types of resources and pay for different costs, as long as their bottom-line resource shares are equitable. As a result, iNET has been able to develop integrated service delivery agreements with a number of different One-Stop center partner agencies, each of whom is contributing equivalent value to the system by supporting different types of operating and facilities costs.
Indianapolis, Indiana

Strategy 3. Encourage the Use of Wagner-Peyser Funds to Support One-Stop Operations

Because Wagner-Peyser funds are among the most flexible of the program-based workforce-development funding sources and can be used to support the delivery of services to the general public, the ES program is often a key funding source for universal services within One-Stop centers. States can support the financing of One-Stop services with Wagner-Peyser funds using the following approaches:

- *Promoting local flexibility in how ES funds and staff are used to deliver services within One-Stop settings*. States in this group generally encourage cross-staffing and the development of integrated services agreements between ES, UI, and other One-Stop partner agencies at the local level. Local partners are given the discretion to determine what functional service roles ES staff and funds will support within local One-Stop centers.
- *Prescribing how ES funds should be used to support the delivery of One-Stop services*. States in this group offer specific guidelines about what activities ES staff and funds should be used for within local One-Stop service delivery systems.

Examples of Encouraging the Use of Wagner-Peyser Funds to Support One-Stop Operations

Example #1—Allowing Local Partners to Determine What Functions ES Staff Will Play Within One-Stop Centers. The State of Connecticut encourages local JTPA, ES, and UI staff to decide how to collaborate in the delivery of services of One-Stop customers. Based on their previous experience collaborating in the delivery of services to dislocated workers in a number of sites, staff within *Connecticut Works* centers have found a variety of different ways to consolidate services to employers and individuals. **State of Connecticut**

Example #2—Encouraging Cross-Staffing of Functions by Staff from ES, JTPA, and Other Programs. Iowa strongly encourages staff at each center to work toward the functional integration of services. Local sites are required to develop joint administrative processes and governance arrangements at local centers. The state's guidance to local areas calls for integrated delivery of basic services including reception, orientation, assessment, and access to career information. Cross-staffing of employer services and job placement services by interagency functional service teams is also encouraged. The particular role that ES staff should play within One-Stop centers is not prescribed at the state level. **State of Iowa**

Example #3—Specifying What Role ES Staff Will Play Within One-Stop Centers. Minnesota has decided that state Job Service staff will be responsible for job development, job listings, and job matching services for all One-Stop partner programs throughout the state. Local partners may determine how other job-seeker services and other core One-Stop services should be provided. **State of Minnesota**

Example #4—Giving Funding for the Delivery of ES Services to a Competitively Selected Career Center Operator. Massachusetts decided that career center operators selected through a competitive procurement process should take over responsibility for the delivery of Wagner-Peyser-funded services. As a result, the state closed local ES offices operated by the state Department of Employment and Training as One-Stop career centers serving the same jurisdictions opened for business. The statewide implementation of this plan has not been completed because of legal challenges to the practice of delegating the delivery of ES and UI services to non-governmental entities. **State of Massachusetts**

GOAL 2. DEVELOP COST-SHARING ARRANGEMENTS THAT BLEND RESOURCES FROM MULTIPLE FUNDING STREAMS

Given the reality of continued categorical program funding, One-Stop practitioners have to develop formal or informal cost-allocation practices that adhere to the eligibility and expenditure requirements for each separate funding stream while supporting the delivery of seamless customer services.

The alternative cost-allocation procedures being pilot-tested in a number of local sites—as described above under Strategy 2 for Goal 1—are part of an effort to update formal cost-allocation practices to deal with the delivery of public services in an integrated context. Rather than making sure that each agency contributes its fair share of the expenditures within each line-item expenditure category (e.g., rent, equipment, supplies, staff costs for administration, staff costs for customer services), the alternative cost-allocation approach focuses on whether each program's share of total customer benefits is equivalent to its share of total resource inputs. However, local areas that are not approved pilot sites for testing these cost-allocation methods should apply the methods described in the DOL Cost Allocation Technical Assistance Guide only after securing approval from their relevant audit and oversight agencies.

Additional formal and informal cost-sharing approaches that can be used to further the delivery of seamless customer services within the framework of categorical program funding include:

- *Formally allocating overhead, facilities, and equipment costs* among One-Stop partner agencies, particularly those co-located on a full-time basis.
- *Informally sharing facilities, equipment, and furniture* costs among participating One-Stop partners.
- *Promoting service specialization by agency*—having different agencies specialize in the delivery of different services that make up the comprehensive menu of One-Stop services.
- *Using integrated cross-agency service teams*—assigning staff from different agencies and programs to work as members of integrated customer service teams that provide specific types of services (such as intake, case management, or job development) to a wide range of One-Stop customers.
- *Designing split work assignments for individual One-Stop staff*—assigning individual staff to several different work assignments supported by different funding sources.

Strategy 1. Allocate Costs for Shared Facilities and Equipment Using Formal Cost-Allocation Procedures

Agencies that share facilities on a full-time basis often develop formal lease agreements with each other that specify how the costs of the shared facilities and equipment will be allocated. Computing each agency's share of total facilities costs based on its share of total occupied floor area is straightforward when each co-located agency has its own identifiable space within the facility. If the same space is occupied by staff from more than one agency, another principle—such as share of total center staff or share of total center customers—can be used to allocate total facility costs among the co-located agencies.

If a third-party owns or manages the shared One-Stop facility, co-located One-Stop partners often negotiate a shared lease. However, to simplify cost allocation procedures, some agencies maintain separate leases for adjacent spaces, even after they tear down the physical walls between the two spaces.

Examples of Allocating Facility and Equipment Costs Using a Formal Cost-Allocation Plan

Example #1—Maintaining Separate Leases For Adjacent Spaces. At the Lake Jackson Career Center in the Houston-Galveston region, staff responsible for the ES/UI and JTPA programs maintain separate rental agreements for their adjacent office spaces, even though they are employed by the same state agency, because of the need to account for their separate categorical funding. **Lake Jackson, Texas**

Example #2—Allocating a Share of Facility Costs to a Co-Located Partner Agency. At the Arlington Career Center, the JTPA agency—the primary lease holder—charges the Vocational Rehabilitation agency for the space it occupies within the center. **Arlington, Texas**

Example #3—Allocating Costs for Space Shared by Several One-Stop Partner Agencies. In the Lawrenceburg Workforce Development Center, the ES/UI, and JTPA agencies each pay a share of One-Stop facility costs under an "integrated services contract." The welfare-to-work agency—located next door to the center—also pays for its shared use of the center's conference room and classroom space. **Lawrenceburg, Indiana**

Example #4—Paying for the Costs of Shared Facilities, Equipment, and an Operations Manager Through Lease Agreements. All nine on-site partners in the Waukesha County Workforce Development Center pay a share of the costs for shared facilities and equipment as well as for the services of a shared operations manager through individual lease agreements with a neutral non-profit third-party owner. **Pewaukee, Wisconsin**

Strategy 2. Share Facility and Equipment Costs Informally

One-Stop center partners may negotiate several different types of informal or in-kind cost-sharing agreements to cover shared facilities and equipment costs.

First, agencies that share One-Stop center facilities may use informal arrangements and in-kind contributions to share the costs of furbishing and equipping shared activity areas within One-Stop centers. In-kind contributions by participating agencies are often used to furbish and equip shared reception areas, customer resource rooms, career libraries, staff lunchrooms, classroom areas, and other spaces used by staff or customers from more than one categorical program.

Second, where selected staff from one agency are out-stationed to a service facility occupied full-time by another agency, it may be determined that the benefit to the "host" agency from the on-site presence of the "guest" agency is a fair exchange for the cost of the physical accommodations provided. Under these circumstances, the guest agency may not be asked to reimburse the host agency for its share of One-Stop center facility costs. For example, a JTPA agency that holds the lease to a One-Stop center facility may decide that it will not charge a community college for out-stationing GED staff at the center, because JTPA customers benefit from having on-site literacy or GED classes available at the center free of charge. Alternatively, a "guest" agency may be asked to pay for incidental costs associated with its full-time or part-time sharing of One-Stop facilities without being allocated a share of the overall indirect costs associated with center operations.

Third, a partner agency whose funds can be used to serve the general public (e.g., the Wagner-Peyser agency) may agree to pay for the physical facility and supplies for a One-Stop resource room that will be available to all One-Stop center customers. In return, this agency might ask other agencies to contribute staff to help assist One-Stop customers interested in using the resource room.

Allocating expenditures for shared equipment and supplies used in the day-to-day operation of One-Stop career centers is particularly difficult under existing cost allocation arrangements. As described under Goal 3, One-Stop center partners sometimes need to use implementation grant funds to support the purchase of shared communication tools, such as telephone systems and copy machines.

Examples of Sharing Facility and Equipment Costs Informally

Example #1—Furnishing a Shared Assessment Center with In-Kind Contributions. To furnish a shared assessment center in the Des Moines Workforce Development Center, the community college provided the carpeting, the Job Corps program administrator arranged for the carpet installation, the ES agency provided the glue for the carpet, and the JTPA agency traded in some old furniture to get modular wall dividers to separate the assessment area from the surrounding space. **Des Moines, Iowa**

Example #2—Paying for Facilities and Supplies Using In-Kind Contributions. Pursuant to a state requirement for local cost-sharing in One-Stop systems through in-kind contributions, several agencies participating in the Lucas and Wood County One-Stop system contributed facilities and supplies during the first year of center operations. **Bowling Green, Ohio**

Example #3—Housing Out-Stationed Staff Free of Charge. At the Arlington Career Center, the JTPA agency does not charge several agencies that out-station selected staff at the center for a share of facility costs because they return equivalent value to the JTPA agency by making their services available on-site to JTPA clients. **Arlington, Texas**

Example #4—Paying for Facilities and Equipment for a Shared Resource Center with Wagner-Peyser Funds. In Des Moines, Iowa, the ES agency partner agreed to use Wagner-Peyser funds to pay for and equip the resource room in the local workforce development center if staff from other agencies would help staff the room and assist One-Stop customers. **Des Moines, Iowa**

Strategy 3. Assigning Specialized Service Delivery Roles to Different Agencies

To avoid duplication of effort and improve service coordination, a number of local One-Stop partners develop formal or informal agreements about their mutual service delivery roles and responsibilities. At a minimum, coordinated service agreements provide staff from all partner programs with improved information about the services available from other programs and clear guidelines for referring One-Stop customers to different programs.

Sites interested in developing more integrated service delivery arrangements sometimes arrange for different partner agencies to specialize in the delivery of different services to One-Stop customers. For example, one local One-Stop partnership decided that that the ES agency would specialize in providing job-seeker reception, job information and self-access services; the community college would specialize in providing assessment and career information services; and the economic development agency would take the lead role in coordinating employer services.

Sometimes the specialized service roles and customer groups assigned to a particular agency are authorized by that agency's own legislative mandate and sufficient funds are available to provide the agreed-upon services to all One-Stop customers. Under these circumstances, it may not be necessary to develop formal interagency cost agreements to implement an integrated service design based on agency specialization. However, sometimes agencies are selected to specialize in the delivery of One-Stop services for which they do not have existing authority or sufficient funding. Under this scenario, formal service delivery contracts can be used to extend authorization and funding to the appropriate partners. Using such contracts, participating One-Stop agencies may become contracted service providers to each other for the provision of designated services.

Examples of Assigning Specialized Service Roles to Different Agencies

Example #1—Encouraging Local Service Specialization with Job Placement and Job Matching Services Reserved for ES Staff. One-Stop career centers in Minnesota are required to integrate One-Stop services by functional service area, including intake, eligibility determination, assessment, case management, and job development and placement. By state fiat, local ES staff and funds are to be used to provide job development, job listings, and job matching services to all One-Stop customers. Local One-Stop partners are encouraged to develop additional specialized service delivery agreements that enable each agency to "concentrate on what it does best." **State of Minnesota**

Example #2—Using Formal Service Delivery Contracts to Fund Specialized Roles. Service integration at the Waukesha County (Wisconsin) Workforce Development Center was developed around seven different generic service functions. In planning for the transition to One-Stop service delivery, each of the local partners agreed to specialize in one or more of these functions. The local community college agreed to operate a "community career center" to provide assessment and career information services to all One-Stop customers. To authorize and fund this role, the local community college was awarded a consolidated service contract from the JOBS and JTPA agencies to provide assessment and career information services to customers enrolled in these two programs. Additional funding from the community college's own budget enabled the community career center to also offer assessment and career information services to the general public at no charge. **Pewaukee, Wisconsin**

Strategy 4. Cross-Staffing Shared Functions Using Consolidated Interagency Service Teams

Another strategy to finance the delivery of integrated One-Stop services is to "cross-staff" shared service functions—such as intake, assessment, case management, career counseling, and job search assistance—using consolidated service teams. Members of consolidated service teams often provide One-Stop services to a wide variety of One-Stop customers, including customers eligible for targeted programs. Cross-staffing of shared services requires interagency cross-training and integrated staff supervision to ensure that service delivery procedures are uniform and service quality is high across all participating agencies. Local One-Stop partners may provide some One-

Stop services using consolidated interagency work teams and provide other services using agencies whose staff specialize in a given service.

Cross-staffing arrangements are a convenient way to have multiple One-Stop agencies and funding streams contribute to the costs of shared One-Stop services. Cross-staffing arrangements may be used in combination with formal cost-allocation procedures that determine what proportion of total service costs should be paid by each program (e.g., the number of customers eligible for or enrolled in each program, the number of service hours used by customers enrolled in each program, or the cost of services received by customers from different programs).

Cross-staffing arrangements can be used to blend multiple funding streams to support:

- Services available to all One-Stop customers, such as reception services, assistance to customers using self-access information about careers and jobs, and job-search workshops available to the general public.
- More intensive services reserved for customers eligible for one of several targeted funding streams, such as group workshops targeted to welfare-to-work, vocational rehabilitation, dislocated worker, and/or JTPA programs.

Examples of Financing Integrated Services Using Cross-Staffing Arrangements

Example #1—Using Cross-Staffing to Finance Services Available to All One-Stop Customers. In the New London Career Center, ES, UI, and JTPA employees cross-staff a number of key service positions, including customer "greeter" and resource librarian. Funds from all three programs are also used to support staff in the career services center, which offers all One-Stop customers a range of group workshops, self-assisted services, and one-on-one career counseling services. **New London, Connecticut**

Example #2—Cross-Staffing Core One-Stop Services. In the Eastside Baltimore Career Center, both ES and JTPA staff participate in staffing center orientations, providing customer support in the use of self-access services, and offering a Job Club and a resume-writing workshop to the general public. **Baltimore, Maryland**

Strategy 5. Arrange for "Multiple" or "Melded" Program Assignments for Individual One-Stop Staff

Another approach that can be used to finance integrated services is to arrange for individual One-Stop staff members to serve customers eligible for more than one categorical program by billing time to more than one funding stream. This is a relatively common procedure when the same agency is responsible for administering multiple funding streams. For example, a number of JTPA administrative entities consolidate the services offered to customers under JTPA Title IIA (for economically disadvantaged workers) and Title III (for dislocated workers). When allocating the costs of serving integrated caseloads of Title II and Title III enrollees, agencies allocate administrative and direct service costs in proportion to the number of customers enrolled in each title or the cost of services received by customers eligible for each title.

It is more difficult to allocate individual staff salaries to multiple funding streams when the agency that employs a direct service staff is responsible for only one program or when program rules require that direct service staff be dedicated to serving customers eligible for a single program. For example, both the Veterans' Employment Service program and the Vocational Rehabilitation program currently require service staff to devote all of their work time to serving individuals eligible for that particular program.

Within the restrictions imposed by individual program legislation and regulations, however, States and local areas can develop opportunities for split work assignments or melded program responsibilities for individual staff using the following approaches:

- Splitting a full-time job into two half-time jobs, so that an individual staff can work part-time for a program with narrow eligibility requirements and part-time for a program that serves the general public.
- Developing integrated service delivery contracts between agencies responsible for different programs, so that staff can bill time to programs administered by more than one agency.

Examples of Arranging for Individual Staff to Bill Time to Multiple Programs

Example #1—Arranging for an Individual Staff Member to Work Half-Time for Two Different Programs. In the Lawrenceburg, Indiana, Career Center, a staff member who had previously worked full-time for the Veterans' Employment and Training Service (VETS) program shifted to a half-time work assignment for the VETS program and a half-time work assignment as a general ES staff. Because this allowed the staff member to be more informed about and perform a number of different functions within the One-Stop office, the arrangement was perceived by staff as contributing to an improvement in the quality of services available to veterans.
Lawrenceburg, Indiana

Example #2—Using an Interagency Integrated Services Agreement to Permit Local One-Stop Staff to Bill Hours Across Multiple Categorical Programs. In the Indianapolis One-Stop network, an integrated services contract between the ES/UI and JTPA agencies arranged for each agency to reimburse the other for the costs of delivering services available under the other agency's programs. As a result of this contract, One-Stop direct service staff and managers could bill hours to a number of different categorical programs based on how they actually spent their time.
Indianapolis, Indiana

GOAL 3. USE ONE-STOP IMPLEMENTATION GRANTS AS A CATALYST

In many states and local areas, the federal One-Stop implementation grant is the only funding source that is not tied to the client eligibility, expenditure, and reporting requirements of a specific categorical program. The level of funding provided under the One-Stop implementation grant is usually insignificant in comparison to the overall costs of providing One-Stop services. However, because of the greater flexibility of funds compared to most categorical program funds, One-Stop implementation grants—together with Wagner-Peyser funds—take on special significance as the catalyst or "glue" that holds together the entire One-Stop system transformation effort.

Strategy 1. Reserve Implementation Grant Funds at the State Level to Support State System-Building Initiatives

A number of states have retained substantial portions of their One-Stop implementation grants at the state level to enable them to invest in state system-building initiatives. State-level investments for which implementation grant funds have been particularly useful include the following:

- Developing automated job banks, talent banks, and user-friendly customer products offering information on labor markets, careers, and education and training opportunities.
- Developing shared management information systems and performance management systems.
- Investing in the electronic infrastructure needed to support information sharing across One-Stop partner agencies and the delivery of technology-based services to One-Stop customers.
- The planning and implementation of coordinated staff development and training initiatives related to One-Stop system transformation.

Examples of Using Implementation Grant Funds to Support State-Level System-Building Initiatives

Example #1—Retaining the Majority of the Implementation Grant at the State Level to Support Technology Infrastructure and Automated Customer Products. In Maryland, the state retained 95% of the federal implementation grant funds at the state level for the development of the automated CareerNet infrastructure, services, and technical support systems. **State of Maryland**

Example #2—Using State Implementation Grant Funds to Develop an Integrated Information System. In Iowa, the state retained 66% of the One-Stop implementation grant at the state level for use in development an automated information system, including integrated intake, eligibility, and case tracking. **State of Iowa**

Example #3—Using Implementation Grant Funds at the State Level to Support Local Capacity-Building Efforts. Among the state-level projects undertaken funded with implementation grant funds in Massachusetts were the development of marketing and staff development materials and the provision of technical assistance to localities. **Commonwealth of Massachusetts**

Strategy 2. Encourage Local Sites to Use Implementation Grants to Support Local System-Building Initiatives

States vary in how they distribute One-Stop implementation grant funding to support local system-building initiatives. Some states provide all local service delivery areas with small One-Stop system-building grants during the first year of One-Stop implementation funding, while other states phase in implementation sites sequentially, by making initial grants to a small number of "phase one" local implementation sites selected competitively or because they are judged to be "ready for implementation," followed by subsequent grants to phase-two sites.

States generally encourage local areas to use One-Stop implementation grant funds for projects for system-transformation initiatives for which no other funding is available, rather than for ongoing staff or operations costs. Before approving local implementation grants, states usually require local areas to submit detailed proposals for the use of implementation grant funds and describe how these projects will support system transformation.

Local investments for which implementation grant funds have been particularly useful include the following:

- *Remodeling shared One-Stop facilities*, e.g., by removing walls, enlarging or combining reception areas, or creating resource rooms for the delivery of self-access information services.
- *Purchasing and installing new telephone and communications equipment* to improve communication and information sharing between staff housed at different local One-Stop service sites and among staff from different agencies housed within a single center.
- *Purchasing equipment, supplies, and multi-media reference materials* to furbish and equip One-Stop career libraries and resource rooms serving the general public.
- *Purchasing and installing computers or kiosks* to provide automated information services to the general public.
- *Cross-training staff* to perform new or broader functions within One-Stop centers.
- *Developing marketing materials* for local One-Stop centers or systems.

As described below, some sites have also used implementation grant funds to pay for the delivery of staffed services to individuals not eligible for targeted categorical programs, if no other operating funds are available. However, this is contrary to DOL guidelines for the use of One-Stop implementation grants, which state that implementation grant funds should be used only for system changes, not the delivery of program services.

Examples of Using Implementation Grant Funds to Support Local System-Building Initiatives

Example #1—Using Local Implementation Grant Funds to Develop a Local Communication Infrastructure and Provide Services to the General Public. In the New London *Connecticut Works* Career Center, local implementation grant funds were used to purchase a new telephone system and develop a new communication infrastructure.

In addition, because funds were not available from other sources, implementation grant funds were used to pay for the staff costs associated with providing career counseling, group workshops, and resume preparation services to customers not eligible for JTPA or other targeted programs. **New London, Connecticut**

Example #2—Using Local Implementation Grant Funds to Remodel Space, Prepare the Resource Room, and Support the Delivery of Resource Room Services to the General Public. In the Minnesota Workforce Center–Anoka County, the local implementation grant was used to remodel the physical facility by removing walls between the spaces occupied by different partner agencies, purchase materials and equipment for the shared resource center and computer rooms, and help support the costs of staff providing resource room services. **Blaine, Minnesota**

Example #3—Using Local Implementation Grant Funds to Support Cross-Training for Partner Agency Staff. In Lucas and Wood Counties in Ohio, local implementation grant funds were used to support cross-training for partner agency staff, purchase network equipment to support automated information services, and support center marketing effort. **Bowling Green, Ohio.**

GOAL 4. IDENTIFY ADDITIONAL FINANCIAL RESOURCES TO SUPPORT UNIVERSAL ONE-STOP SERVICES

Although One-Stop implementation grants are extremely useful in developing the infrastructure and building the systems to support One-Stop operations, they are not sufficient by themselves, nor are they intended, to support on-going One-Stop operations. The primary funding sources for financing One-Stop operations are the categorical federal and state workforce development programs. In addition, a number of states and local sites have identified other sources of public and private funding to support the development of One-Stop facilities and the ongoing delivery of universal One-Stop services.

Among the additional funding sources on which state and local partnerships may be able to draw are the following:

- *Federal discretionary and demonstration grants* whose objectives are overlapping and consistent with the One-Stop initiative.
- *Loans and grants from local governments and foundations* to support the cost of developing physical facilities or enriching One-Stop services to meet the needs of particular target groups.
- *Voluntary contributions* made by volunteer staff and community-based organizations.
- *Revenues collected through user fees* for enhanced job-seeker and employer services.

Strategy 1: Identify Local Funding Sources to Support the Development of One-Stop Facilities

Local One-Stop partnerships may be able to convince local governments and public institutions to invest in the development of facilities to house One-Stop operations. It is often clear to local elected officials that the entire community will benefit from a unified approach to the delivery of workforce development services.

Examples of Obtaining Local Support for the Development of One-Stop Facilities

Example #1—Using Support from a Local Partner to Construct A New One-Stop Facility. In Waukesha County, Wisconsin, strong support from local elected officials convinced the county technical college to provide $2.3 million for the construction of a new facility for the One-Stop center on the technical college campus. To ensure that all local partners are treated fairly, the building is formally owned by the technical college foundation board, a neutral third party. **Pewaukee, Wisconsin**

Example #2—Locating a One-Stop Center at a Facility Developed by the Local Government. The building that houses the Minnesota Workforce Center–Anoka County is located in a park-like setting on ten acres donated by the City of Blaine. After acquiring the land through a tax sale, the city issued tax-exempt revenue bonds to finance construction of the facility, which houses 25 public and non-profit agencies. After the municipal bonds are retired, the building will be owned by Anoka County. Because the building is publicly owned, rental costs are lower than those in comparable commercial sites. A local foundation also provided funds to assist agencies in relocating to the new center. **Blaine, Minnesota**

Example #3—Receiving Community Development Block Grant Funds to Renovate a Career Center Facility. Strong political support for the Arlington Career Center from both city and county officials convinced the City of Arlington to set aside $1.3 million in local Community Development Block Grant funds to help pay for the renovation of a career center facility. **Arlington, Texas**

Strategy 2: Brokering Additional Public and Private Funding Sources to Support the Delivery of One-Stop Services

The partners within local One-Stop systems sometimes think of themselves as "entrepreneurs" or "brokers" whose agencies can accumulate funds from a variety of federal, state, and private foundation sources to support the implementation of the local One-Stop vision.

Among the sites that participated in the One-Stop process evaluation, federal and state funds identified as being extremely useful in supporting the delivery of comprehensive customer-oriented workforce development services include the following:

- One-Stop Local Learning Laboratory Grants, which were used by three sites to support the refinement of One-Stop systems and procedures, including the development of local resource center libraries.
- Federal Career Management Account (CMA) demonstration funds, which were used by one site to implement a system of customer-driven training vouchers for individuals eligible for dislocated worker services.
- Youth Fair Chance grants, which helped two sites develop partnerships between schools and community organizations to improve services for local youth.

- Empowerment Zone funding, which was used in one site to create a network of neighborhood centers designed to link individuals from high-poverty areas to One-Stop services.
- State and local School-to-Work implementation grants, which offered opportunities to link workforce development service systems for adults and youth.

Since Congress created state block grants for Temporary Assistance to Needy Families (TANF) and initiated a substantial short-term welfare-to-work program to be administered by the workforce development system, One-Stop centers have been working to ensure that funding from welfare-to-work funding streams supports the delivery of integrated One-Stop services—rather than being used to create competing delivery systems.

Local government and private foundation funds have also been available in some sites to help make enhanced services available to all center customers. The particular sources of funding available to support One-Stop systems vary from locality to locality and over time. However the strategy of brokering multiple funding streams to support One-Stop operations will remain sound.

Examples of Brokering Additional Funding Sources to Support One-Stop Operations

Example #1—Receiving Foundation Support for Center Operations. The Indianapolis Network for Employment and Training (iNET) received an $800,000 two-year grant from the Rockefeller and Mott foundations to explore innovative ways to address the service needs of welfare recipients. **Indianapolis, Indiana**

Example #2—Blending State and Federal Funding to Make Customer-Driven Training Services Available to a Broad Customer Population. The Baltimore Career Center network convinced the state to expand a federal Career Management Accounts (CMA) demonstration grant with state funds so that the center could provide training vouchers to economically-disadvantaged individuals as well as dislocated workers. By combining these two funding sources, the demonstration become a new model for providing training assistance to all customers qualifying for targeted training funds. **Baltimore, Maryland**

Example #3—Using Local Funds to Make Staffed Services Available to All Center Customers. In Anoka County, Minnesota, the county contributes supplemental funds that make One-Stop workshops available to all center customers. **Blaine, Minnesota**

Strategy 3. Generating Revenues from User Fees for Enhanced Job-Seeker Services

A number of One-Stop centers are considering charging for enhanced services to job seekers as a strategy to make these services available to the general public. Enhanced job-seeker services that centers may want to offer on a fee-for-service basis to the general public include the following:

- Job search and job retention seminars.
- Job-search related publications and instructional materials.
- Resume-writing classes or resume preparation services.
- Specialized assessment.
- Basic skills brush-up.
- Advanced computer literacy training.

Before establishing user fees for job-seeker services, local One-Stop systems need to complete detailed marketing studies to assess whether there will be a demand for these services and whether the public workforce development system can compete with private sector providers of similar services. One One-Stop center that had conducted a detailed marketing analysis identified three types of potential purchasers of enhanced services for individuals: (1) individuals who want to pay for such services out-of-pocket; (2) agencies that want to purchase services on behalf of their clients; and (3) firms that want to purchase services on behalf of current or prospective employees. The number of One-Stop sites that have actually established user fees for job-seeker services is still quite limited.

Examples of Charging User Fees for Enhanced Job-Seeker Services

Example #1—Charging a Fee for Resume Writing Services. The Waukesha County Workforce Development Center charges a $15 tuition fee for its resume writing class. **Pewaukee, Wisconsin**

Example #2—Offering Specialized Assessment and Other Training for a Fee. The CareerNet Center in Springfield, Massachusetts has developed a fee schedule for specialized assessment, such as the Myers-Briggs personality test of certification for specific skills sets. The center also offers fee-based "success skills" training, which is oriented to customers who are changing careers or are employed by firms that are implementing team-based management practices. **Springfield, Massachusetts**

Strategy 4. Generating Revenues from User Fees for Enhanced Employer Services

A number of local One-Stop partners have experience offering enhanced fee-based services to employers. For example, community colleges often provide customized training to local employers for a fee. Enhanced employer services that One-Stop centers may want to offer to local employers on a fee-for-service basis include the following:

- Large-scale recruitment and on-site customized assessment of job applicants.
- Formal screening of job applicants.
- Consulting on management issues.
- Intensive job task analysis.
- Customized analysis of labor market information for businesses interested in relocation.
- Provision of customized training to current or new employees.
- Specialized workshops for employers on topics such as work-related issues, requirements of the Americans with Disabilities Act, and regulations governing unemployment insurance.

The two main challenges in implementing user fees to support enhanced One-Stop services for employers are:

- How to develop a menu of enhanced One-Stop services that does not duplicate services already offered by individual One-Stop partner agencies or private providers.
- How to convince One-Stop partners that the revenues from such services should be used to support the One-Stop center as a whole.

Examples of Charging User Fees for Enhanced Employer Services

Example #1—Offering Fee-for Service Options to Local Employers. At the Des Moines Workforce Development Center the ES agency and the economic development group of the local community college have collaborated in developing a number of fee-for-service options for employers. Service offerings include recruitment and screening for large-scale hiring efforts and the use of the Work Keys assessment system to screen potential new hires. Revenues generated from fees paid by employers will be used to support the center as a whole. **Des Moines, Iowa**

Example #2—Offering Customized Analysis of Labor Market Information for a Fee. The Indianapolis Network for Employment and Training (iNET) is exploring fee-based service options for employers. The list of available or planned fee-based services includes: on-site customized assessment of job applicants, intensive job task analysis, customized analysis of labor market information (primarily for employers seeking to relocate), and specialized workshops. **Indianapolis, Indiana**

RESOURCES

The following written materials have been drawn from the nine states included in the national process evaluation. Materials were collected at the time of the evaluation site visits.

EXAMPLES OF MELDING FUNDS FROM DIFFERENT PROGRAMS

Attachment 6-A. Joint Procurement of Services: A Description of a Model Practice from Wisconsin's Technical Assistance Guide for Local One-Stop Partners

This attachment was prepared by the state of Wisconsin to inform local sites about how the Waukesha County center used a joint RFP melding JOBS and JTPA funds to create a unified system for the delivery of local assessment services.

Attachment 6-B. Chart Showing the Flow of Workforce Development Funds to The Tarrant County Workforce Governing Board

This attachment shows how government reorganization in Texas created independent local boards to oversee the delivery of One-Stop workforce development services supported by multiple funding streams. It is envisioned that a number of public and private entities or partnerships might be selected by local workforce boards to deliver One-Stop services.

EXAMPLES OF BROKERING ADDITIONAL FUNDING SOURCES

Attachment 6-C. Local Government Seed Money: A Description of a Model Practice from Wisconsin's Technical Assistance Guide for Local One-Stop Partners

This attachment was prepared by the state of Wisconsin to inform local sites about how one county obtained seed money from its county government.